

RECEIVED

UNITED STATES BANKRUPTCY COURT

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DULUTH DIVISION DISTRICT OF MINNESOTA

U.S. BANKRUPTCY COURT
DULUTH, MN

Debtor's Name ROY R. REINHARDT AND DOLORES C. REINHARDT	Bankruptcy Case No. 04-50780 Chapter 7
Creditor's Name and Address LAKE STATE FEDERAL CREDIT UNION P.O. Box 569 210-OLD HIGHWAY 615 HINCKLEY, MN 55037	REAFFIRMATION AGREEMENT

INSTRUCTIONS:

- 1) Attach a copy of all court judgments, security agreements and evidence of their perfection.
- 2) File all the documents by mailing them or delivering them to the Clerk of the Bankruptcy Court.

NOTICE TO DEBTOR

This agreement gives up the protection of your bankruptcy discharge for this debt. As a result of this agreement, the creditor may be able to take your property or wages if you do not pay the agreed amounts. The creditor may also act to collect the debt in other ways.

You may rescind (cancel) this agreement at any time before the bankruptcy court enters a discharge order or within 60 days after this agreement is filed with the court, whichever is later, by notifying the creditor that the agreement is canceled.

You are not required to enter into this agreement by any law. It is not required by the Bankruptcy Code, by any other law, or by any contract (except another reaffirmation agreement made in accordance with Bankruptcy Code § 524(c)).

You are allowed to pay this debt without signing this agreement. However, if you do not sign this agreement and are later unwilling or unable to pay the full amount, the creditor will not be able to collect it from you. The creditor also will not be allowed to take your property to pay the debt unless the creditor has a lien on that property.

If the creditor has a lien on your personal property, you may have a right to redeem the property and eliminate the lien by making a single payment to the creditor equal to the current value of the property, as agreed by the parties or determined by the court.

The agreement is not valid or binding unless it is filed with the clerk of the bankruptcy court. If you were not represented by an attorney during the negotiation of this reaffirmation agreement, the agreement cannot be enforced by the creditor unless (1) you have attended a reaffirmation hearing in the bankruptcy court, (2) the agreement has been approved by the bankruptcy court. (Court approval is not required if this is a consumer debt secured by a mortgage or other lien on your real estate).

7-1

REAFFIRMATION AGREEMENT

The debtor and creditor named above agree to reaffirm the debt described in this agreement as follows:

THE DEBT

Total Amount of Debt when Case was Filed. \$ 29,340.47

Total Amount of Debt Reaffirmed. \$ 29,454.42

Above total includes the following:

Interest Accrued to date of Agreement. \$ 113.95

Attorney Fees. \$ _____

Late Fees. \$ _____

Other Expenses or Costs Relating to the
Collection of this debt (Describe) _____

_____ \$ _____

Annual Percentage Rate (APR). 6.750 %

Amount of Monthly Payment. \$ 278.13

Date Payments Start. 8/23/04

Total Number of Payments to be made. 180

Total of Payments if paid according to schedule. \$ 180

Date Any Lien Is to Be Released if paid according to schedule 11-18-2027

The debtor agrees that any and all remedies available to the creditor under the security agreement remain available.

All additional Terms Agreed to by the Parties (if any): _____

Payments on this debt (check one) ☐ [were] ☒ [were not] in default on the date on which this bankruptcy case was filed.

This agreement differs from the original agreement with the creditor as follows: _____

CREDITOR'S STATEMENT CONCERNING AGREEMENT AND SECURITY/COLLATERAL (IF ANY)

Description of Collateral. If applicable, list manufacturer, year and model: _____

Real property at 503 1st St NE, Hickley Min

Value. \$ 64,000.⁰⁰

Basis or Source for Valuation. 2002 Estimated Market Value Statement
-Pine Co.

Current Location and Use of Collateral. debtor Residence

Expected Future Use of Collateral.

Check Applicable Boxes:

- ☒ Any lien described herein is valid and perfected.
- ☐ This agreement is part of a settlement of a dispute regarding the discharge-ability of this debt under Section 523 of the Bankruptcy Code (11 U.S.C. § 523) or any other dispute.

The nature of the dispute (if any) is: _____

DEBTOR'S STATEMENT OF EFFECT OF AGREEMENT
ON DEBTOR'S FINANCES

My Monthly Income (take home pay plus any other income received) is \$ 1,029.00.

My current monthly expenses total \$ 836.00, not including any payment due under this agreement or any debt to be discharged in this bankruptcy case.

I believe this agreement (check one) ☐ [will] ☒ [will not] impose an undue hardship on me or my dependents.

DEBTOR'S STATEMENT CONCERNING DECISION TO REAFFIRM

I agreed to reaffirm this debt because: THIS IS THE FAMILY RESIDENCE

I believe this agreement is in my best interest because: WE HAVE AN EQUITY
INTEREST OF IN THIS PROPERTY.

I (check one) ☐ [considered] ☐ [did not consider] redeeming the collateral under Section 722 of the Bankruptcy Code (11 U.S.C. § 722). I chose not to redeem because:

I (check one) ☐ [was] ☒ [was not] represented by an attorney during negotiations on this agreement.

Any documents which created and perfected the security interest or lien (check one)
☒ [are] ☐ [are not] attached. [If documents are not attached: The documents which created and perfected the security interest or lien are not attached because:

Copy of mortgage filed in Pine
County is enclosed
_____.]

SIGNATURES

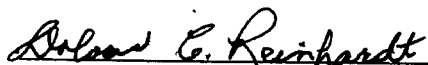

Signature of Debtor

Date: July 9, 2004

LAKE STATE
FEDERAL CREDIT UNION
Name of Creditor


Signature of Creditor Representative

Date: 7-23-04


Signature of Joint Debtor

Date: July 9, 2004

CERTIFICATION BY DEBTOR'S ATTORNEY (IF ANY)

I hereby certify that (1) this agreement represents a fully informed and voluntary agreement by the debtor(s); (2) this agreement does not impose a hardship on the debtor or any dependent of the debtor; and (3) I have fully advised the debtor of the legal effect and consequences of this agreement and any default under this agreement.

Signature of Debtor's Attorney, if any

Date: _____

OFFICE OF COUNTY RECORDER
STATE OF MINNESOTA
COUNTY OF PINE

No. 25956
Registration Tax 69.00
Paid this 9th day of December, 2002
Ruth A. Bohm County Treasurer
Countersigned and payment recorded. 69
Kaye F. Jorgensen County Auditor

415291

This is to certify that this instrument was filed in this
office on the 9th day of December
2002 at 10 o'clock A.M.

and was recorded as

Document # 415291

Marie Sward
County Recorder

By Robin Shlyuzaceh Dep.

Rec'd. 20 Ret. LSM WC Rec'd. _____

REVOLVING CREDIT MORTGAGE

THIS MORTGAGE CONTAINS A DUE-ON-SALE PROVISION AND SECURES INDEBTEDNESS UNDER A CREDIT AGREEMENT WHICH PROVIDES FOR A REVOLVING LINE OF CREDIT AND MAY CONTAIN A VARIABLE RATE OF INTEREST.

THIS MORTGAGE is made this 18th day of October, 2002
between the Mortgagor, Roy Reinhardt and Dolores Reinhardt a/k/a Dolores C. Reinhardt,
Husband and Wife (herein "Borrower"),
and the Mortgagee, Lake State Federal Credit Union
a corporation organized and existing under the laws of the United States of America
whose address is 301 Elm Avenue, Moose Lake, MN 55767 (herein "Lender").

WHEREAS, Borrower is indebted to Lender as described in this paragraph;
TO SECURE to Lender:

- (1) The repayment of all indebtedness due and to become due under the terms and conditions of the LOANLINER® Home Equity Plan Credit Agreement and Truth-in-Lending Disclosures made by Borrower and dated the same day as this Mortgage, and all modifications, amendments, extensions and renewals thereof (herein "Credit Agreement"). Lender has agreed to make advances to Borrower under the terms of the Credit Agreement, which advances will be of a revolving nature and may be made, repaid, and remade from time to time. Borrower and Lender contemplate a series of advances to be secured by this Mortgage. The total outstanding principal balance owing at any one time under the Credit Agreement (not including finance charges thereon at a rate which may vary from time to time, and any other charges and collection costs which may be owing from time to time under the Credit Agreement) shall not exceed Thirty Thousand and 00/100----- (\$ 30,000.00). That sum is referred to herein as the Maximum Principal Balance and referred to in the Credit Agreement as the Credit Limit. The entire indebtedness under the Credit Agreement, if not sooner paid, is due and payable 25 years from the date of this Mortgage.
- (2) The payment of all other sums advanced in accordance herewith to protect the security of this Mortgage, with finance charges thereon at a rate which may vary as described in the Credit Agreement.
- (3) The performance of covenants and agreements of Borrower herein contained.

BORROWER does hereby mortgage, grant and convey to Lender the following described property located in the County of Pine, State of Minnesota:

See "Exhibit A"

which has the address of 503 1st NE
(Street)
Hinckley, Minnesota 55037 (herein "Property Address");
(City) (Zip Code)

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and fixtures, all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property."

Complete if applicable:

This Property is part of a condominium project known as _____

This Property includes Borrower's unit and all Borrower's rights in the common elements of the condominium project.

This Property is in a Planned Unit Development known as _____

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Finance Charges and Other Charges. Borrower shall promptly pay when due all amounts borrowed under the Credit Agreement, all finance charges and applicable other charges and collection costs as provided in the Credit Agreement.

2. Funds for Taxes and Insurance. Subject to applicable law, Lender, at Lender's option, may require Borrower to pay to Lender on the day monthly payments of principal and finance charges are payable under the Credit Agreement, until all sums secured by this Mortgage are paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance and flood insurance, if applicable, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional Lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 22 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Credit Agreement and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, second, (in the order Lender chooses) to any finance charges, other charges and collection costs owing, and third, to the principal balance under the Credit Agreement.

4. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Except to the extent that any such charges or impositions are to be made to Lender under paragraph 2, Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any. Within five days after any demand by Lender, Borrower shall exhibit to Lender receipts showing that all amounts due under this paragraph have been paid when due.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," floods, and such other hazards as Lender may require and in such amounts and for such periods as Lender may require. Unless Lender in writing requires otherwise, the policy shall provide insurance on a replacement cost basis in an amount not less than that necessary to comply with any coinsurance percentage stipulated in the hazard insurance policy, and the amount of coverage shall be no less than the Maximum Principal Balance plus the full amount of any lien which has priority over this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. All insurance proceeds are hereby assigned to Lender and shall be paid to Lender to the extent of all sums secured by this Mortgage, subject to the terms of any mortgage, deed of trust or security agreement with a lien which has priority over this Mortgage. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restore or repair the Property, if it is economically feasible to do so.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and the constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. Any amounts disbursed by Lender pursuant to this paragraph 7, with finance charges thereon, at the rate provided in the Credit Agreement, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder. Any action taken by Lender under this paragraph shall not cure any breach Borrower may have committed of any covenant or agreement under this Mortgage. Borrower agrees that Lender is subrogated to all of the rights and remedies of any prior lienor, to the extent of any payment by Lender to such lienor.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, to the extent of any indebtedness under the Credit Agreement, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 21 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Credit Agreement, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable under the Credit Agreement or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations or amendments with regard to the terms of this Mortgage or the Credit Agreement, without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

12. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. Governing Law; Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Credit Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Credit Agreement which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Credit Agreement are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14. Prior Mortgage or Deed of Trust; Modification; Future Advance. Borrower shall not enter into any agreement with the holder of any mortgage, deed of trust or other security agreement which has priority over this Mortgage by which that security agreement is modified, amended, extended, or renewed, without the prior written consent of the Lender. Borrower shall neither request nor accept any future advance under a prior mortgage, deed of trust, or other security agreement without the prior written consent of Lender.

15. Borrower's Copy. Borrower shall be furnished a copy of the Credit Agreement and a conformed copy of this Mortgage at the time of execution or after recordation hereof.

16. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower may enter into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

17. Waiver of Homestead Exemption. Borrower hereby waives the benefit of the homestead exemption as to all sums secured by this Mortgage.

18. Waiver of Statutes of Limitation. Borrower hereby waives, to the full extent permitted by law, statutes of limitation as a defense to any demand or obligation secured by this Mortgage.

19. Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

20. Notice of Transfer of the Property; Advances after Transfer. Borrower shall give notice to Lender, as provided in paragraph 12 hereof, prior to any sale or transfer of all or part of the Property or any rights in the Property. Any person to whom all or part of the Property or any right in the Property is sold or transferred also shall be obligated to give notice to Lender, as provided in paragraph 12 hereof, promptly after such transfer.

Even if Borrower transfers the Property, Borrower will continue to be obligated under the Credit Agreement and this Mortgage unless Lender releases Borrower in writing. As a condition to Lender's consent to any proposed transfer or as a condition to the release of Borrower, Lender may require that the person to whom the Property is transferred sign an assumption agreement satisfactory to Lender and Lender may impose an assumption fee. The assumption agreement will not entitle the person signing it to receive advances under the Credit Agreement.

21. Transfer of the Property. Subject to applicable law, Lender shall have the right to accelerate, that is, to demand immediate payment in full of all sums secured by this Mortgage or Deed of Trust, if Borrower, without the written consent of Lender, sells or transfers all or part of the Property or any rights in the Property.

If Lender exercises the option to accelerate, Lender shall give Borrower notice of acceleration in accordance with paragraph 12 hereof. The notice shall provide a period of not less than 30 days from the date of the notice within which Borrower may pay the sums declared due. If Borrower fails to pay those sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 22 hereof.

22. Default; Termination and Acceleration; Remedies. Each of the following events shall constitute an event of default ("event of default") under this Mortgage: (1) Borrower commits fraud or makes a material misrepresentation in connection with this Mortgage or the Credit Agreement; (2) Borrower does not meet the repayment terms of the Credit Agreement; or (3) Borrower's action or inaction adversely affects the Lender's rights in the Property secured by this Mortgage. If default occurs, then prior to exercising any right or remedy provided for in this Mortgage and prior to acceleration, Lender shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the event of default; (2) the action required to cure such event of default; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such event of default must be cured; (4) that failure to cure such event of default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of an event of default or any other defense of Borrower to acceleration and sale.

If the event of default is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 22, including, but not limited to, reasonable attorneys' fees.

If Lender invokes the power of sale, Lender shall cause a copy of a notice of sale to be served upon the person, if any, in possession of the Property. Lender shall publish a notice of sale and the Property shall be sold at public auction in the manner prescribed by applicable law. Lender or Lender's designee may purchase the Property at any sale. The Proceeds of the sale shall be applied in the following order: (a) to all sums secured by this Mortgage; (b) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable attorneys' fees and costs of title evidence; and (c) the excess, if any, to the person or persons legally entitled thereto.

23. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to sale of the Property pursuant to the power of sale contained in this Mortgage if: (a) Borrower pays Lender all sums constituting the default actually existing under this Mortgage and the Credit Agreement at the commencement of foreclosure proceedings under this Mortgage; (b) Borrower cures all events of default; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 22 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

24. Release. This Mortgage secures a revolving line of credit and advances may be made, repaid, and remade from time to time, under the terms of the Credit Agreement. When Borrower (1) has paid all sums secured by this Mortgage and (2) had requested that the revolving line of credit be canceled, Lender shall discharge this Mortgage. To the extent permitted by law, Lender may charge Borrower a fee for such discharge and require Borrower to pay costs of recordation, if any.

25. Notice of Default. Borrower and Lender may request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action. A separate request for notice of sale in accordance with Minnesota Statutes Section 580.032 may be recorded contemporaneously with this deed of trust.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

Roy Reinhardt

Dolores Reinhardt a/k/a Dolores C. Reinhardt

STATE OF MINNESOTA, vine

County ss:

The foregoing instrument was acknowledged before me this 18th day of October, 2002

by Roy Reinhardt and Dolores Reinhardt a/k/a Dolores C. Reinhardt, Husband and Wife

(person acknowledging)

My Commission expires: 1-31-05

Notary Public

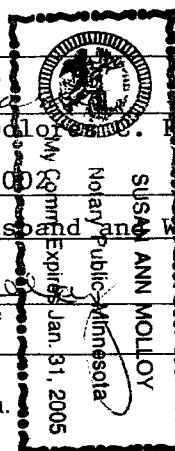
This instrument was prepared by Lake State Federal Credit Union

(Name)

of 301 Elm Avenue, Moose Lake, Minnesota.

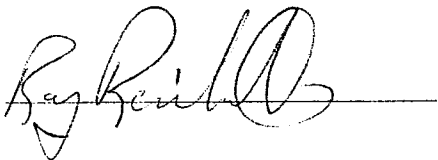
(Address)

(Space Below This Line Reserved For Lender and Recorder)



"EXHIBIT A"

That part of Lot Nineteen (19) of Auditor's Subdivision of Section Twenty-four (24), Township Forty-one (41), Range Twenty-one (21), Pine County, Minnesota, described as beginning at the intersection of the east line of the West Half of the Northeast Quarter of the Southeast Quarter (W $\frac{1}{2}$ of NE $\frac{1}{4}$ of SE $\frac{1}{4}$) of said Section 24 and the center of the river road running easterly out of the City of Hinckley on the south side of Grindstone River; thence westerly along the center of said road 285 feet; thence north parallel with the east line of the West Half of the Northeast Quarter of the Southeast Quarter of said Section 24 a distance of 200 feet; thence east and parallel to the south boundary line of Lot 19, Auditor's Subdivision of Section 24, Township 41, Range 21, to the shore of the Grindstone River; thence southeasterly along the shore of the Grindstone River to the east line of the West Half of the Northeast Quarter of the Southeast Quarter of said Section 24; thence south along said east line 110 feet, more or less, to the point of beginning.



PINE COUNTY
PINE COUNTY ASSESSOR
315 MAIN STREET S. SUITE 5
PINE CITY MN 55063

**NOTICE OF YOUR PROPERTY'S
ESTIMATED MARKET VALUE
AND PROPERTY CLASS
FOR PROPERTY TAXES**

PRESORTED F1
U.S. POSTAGE
PINE CITY, MN
PERMIT NO. 4

YOU WILL PAY IN: 2002

State law requires all property owners to be notified of any changes in their market value or property class.

If you have a question regarding this notice, you may contact the county assessor's office at 320-629-5613. Many times, questions or concerns can be satisfactorily addressed in advance of local board or review meetings. Please note: This preliminary property owner's notice is not a formal part of the review process provided for by law and it does not take the place of the local board of review or any other appeals proceedings. How to Appeal your market value or property class is explained on the back of this form.

PROPERTY IDENTIFICATION R 40.0076.000

PROPERTY CLASSES:

RES. HSTD

SECT-24 TWP-041 RANGE-021
1 ACRES
PART OF LOT 19, AUD. SUBD.,
DESCRIBED AS BEGINNING AT IN-
TERSECTION OF EAST LINE OF

The value in Box 7 is the amount that will be used to determine your property tax bill.

1. ESTIMATED MARKET VALUE	2. GREEN ACRE VALUE	3. NEW IMPROVEMENTS	4. LIMITED MARKET VALUE	5. PLAT DEFERMENT	6. EXEMPTION FOR THIS OLD HOUSE	7. TAX
64,000			59,900		12,300	

CITY OR TOWN BOARD
OF REVIEW MEETING }

APRIL 19, 2001 HINCKLEY CITY HALL COUNTY BOARD OF
7:00 PM EQUALIZATION MEETING

10 AM, JUNE 11, 2001 FOR APPL
PINE COUNTY AUDITOR (320) 62

PROPERTY OWNERS:

ROY R & DELORES C REINHARDT
503 1ST NE, BOX 244
HINCKLEY MN 55037



July 22, 2004

Roy & Dolores Reinhardt
503 1st Street NE
Hinckley MN 55037

Re: Reaffirmation agreements

Dear Mr. & Mrs. Reinhardt,

Enclosed please find copies of the reaffirmation agreements for your bankruptcy proceedings. I have signed them and forwarded them to the Clerk of Court in Duluth.

If you should need anything further, please contact me at 1-800-944-1468.

Sincerely,

Teri Schmidt
Collection Officer
LSFCU

MOOSE LAKE	SANDSTONE	HINCKLEY	NORTH BRANCH
301 Elm Ave. Moose Lake, MN 55767 (218) 485-4444 • (800) 247-0695 Fax: (218) 485-8483	406 N. Commercial Sandstone, MN 55072 (320) 245-5251 • (800) 675-2556 Fax: (320) 245-5510	210 Old Hwy. 61 S. Hinckley, MN 55037 (320) 384-7455 • (800) 675-2558 Fax: (320) 384-6927	6241 Main Street North Branch, MN 55056 (651) 674-0898 • (888) 633-2660 Fax: (651) 674-0892

23 August, 2004

U.S. Bankruptcy Court
416 - U.S. Court House
515 West First Street
Duluth, MN 55802

Dear Clerk of Court:

Please file this reaffirmation Agreement
for our Real Estate property.

The Hearing of the judge is Sept. 8, 2004

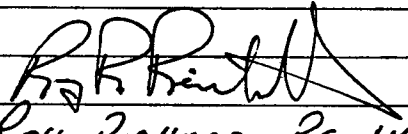
U.S. Bankruptcy Court 2:15 p.m.

U.S. Courtroom Room 416 Courtroom 2

515 West First Street

Duluth, MN 55802

As to our phone call this date August 23, 2004
at 9:15 a.m. in regard to Real Estate paper work
at said hearing


ROY RICHARD REINHARDT

Dolores E. Reinhardt
DOLORES CATHERINE REINHARDT

503-1st Street N.E.
Hickley, MN 55039-8312

1-320-384-6285

RECEIVED

2004 AUG 25 AM 8:58

U.S. BANKRUPTCY COURT
DULUTH, MN